



The President's Daily Brief

26 September 1973

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FOR THE PRESIDENT ONLY

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PRINCIPAL DEVELOPMENTS

The head of the Peronist-controlled General Labor Confederation was apparently assassinated by an extreme leftist group behind much of the violence in Argentina. The killing will reinforce Peron's determination to eradicate terrorism. *(Page 1)*

The Saudis agreed last week to buy Soviet-made military equipment from Egypt for delivery to Yemen (Sana). Moscow--which backs the Yemen (Aden) regime--will be unhappy, but probably cannot complain too loudly. *(Page 2)*

The workers' strike at the largest oil refinery in Iran has cut output in half, and may prompt direct intervention by security authorities. *(Page 3)*

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ARGENTINA

Jose Rucci, head of the powerful Peronist-controlled General Labor Confederation, was assassinated in Buenos Aires yesterday. According to the country's official news agency, the murder was the work of the People's Revolutionary Army (ERP).

The ERP is an extreme leftist group which has been defying the Peronists with a relentless campaign of kidnappings and other violence. The government's first act following Peron's election was to outlaw the ERP; killing Rucci was presumably both retaliation and protest.

The assassination is likely to have a strong impact on the regime, not only because of Rucci's key position but because of his closeness to Peron. The incident will reinforce Peron's determination to eradicate terrorism.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY**SAUDI ARABIA - EGYPT - YEMEN (SANA)**

Saudi Arabia agreed last week to buy Soviet-made military equipment from Egypt for delivery to Yemen (Sana). The package is valued at about \$80 million and includes 16 Sukhoi and 18 MIG-17 aircraft, along with a variety of ground forces equipment.

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Although its military forces will have trouble absorbing the new equipment, this influx of weaponry will reduce Sana's growing sense of vulnerability to the regime in Aden, which has been receiving Soviet supplies steadily since 1968.

Cairo's agreement to provide items from its inventory stems largely from a desire for closer relations with Jidda and the expectation of greater Saudi military and financial assistance. The Egyptians are also interested, however, in buttressing Sana's military position against Aden's stronger forces.

The deal could cause further problems in an already difficult Egyptian-Soviet relationship. Cairo is willing to take this risk, however, and has apparently made no secret of its intentions

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Moscow

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cannot complain too loudly. The Soviets have been urging Egypt toward greater inter-Arab cooperative efforts, and they have attempted to maintain a facade of friendship with Sana.

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IRAN

The workers' strike at the government-owned Abadan oil refinery--the country's largest--is now in its fourth day and has brought output down by over half. The workers, prodded by inflation, are asking for a 20-percent wage increase; the government will not go beyond a 10-percent nationwide hike granted before the strike began.

Management may try to appease the workers by lowering the cost of items purchased at the company store or by giving subsidies in cash. Should the carrot fail, however, Tehran is likely to turn to the stick; the Shah is anxious to keep the strike from spreading and to maintain oil exports at the present level. This could mean direct intervention by security authorities to break the strike.

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